§ 7546. Renewable fuel

(a) Definitions

In this section:

(1) Municipal solid waste

The term “municipal solid waste” has the meaning given the term “solid waste” in section 6903 of this title.

(2) RFG State

The term “RFG State” means a State in which is located one or more covered areas (as defined in section 7545 (k)(10)(D) of this title).

(3) Secretary

The term “Secretary” means the Secretary of Energy.

(b) Cellulosic biomass ethanol and municipal solid waste loan guarantee program

(1) In general

Funds may be provided for the cost (as defined in the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.)) of loan guarantees issued under title XIV of the Energy Policy Act 1 to carry out commercial demonstration projects for cellulosic 2 biomass and sucrose-derived ethanol.

(2) Demonstration projects

(A) In general

The Secretary shall issue loan guarantees under this section to carry out not more than 4 projects to commercially demonstrate the feasibility and viability of producing cellulosic biomass ethanol or sucrose-derived ethanol, including at least 1 project that uses cereal straw as a feedstock and 1 project that uses municipal solid waste as a feedstock.

(B) Design capacity

Each project shall have a design capacity to produce at least 30,000,000 gallons of cellulosic biomass ethanol each year.

(3) Applicant assurances

An applicant for a loan guarantee under this section shall provide assurances, satisfactory to the Secretary, that—

(A) the project design has been validated through the operation of a continuous process facility with a cumulative output of at least 50,000 gallons of ethanol;

(B) the project has been subject to a full technical review;

(C) the project is covered by adequate project performance guarantees;

(D) the project, with the loan guarantee, is economically viable; and

(E) there is a reasonable assurance of repayment of the guaranteed loan.

(4) Limitations

(A) Maximum guarantee

Except as provided in subparagraph (B), a loan guarantee under this section may be issued for up to 80 percent of the estimated cost of a project, but may not exceed $250,000,000 for a project.
(B) Additional guarantees
   (i) In general
       The Secretary may issue additional loan guarantees for a project to cover up to 80 percent
       of the excess of actual project cost over estimated project cost but not to exceed 15 percent
       of the amount of the original guarantee.
   (ii) Principal and interest
       Subject to subparagraph (A), the Secretary shall guarantee 100 percent of the principal
       and interest of a loan made under subparagraph (A).

(5) Equity contributions
To be eligible for a loan guarantee under this section, an applicant for the loan guarantee shall have
binding commitments from equity investors to provide an initial equity contribution of at least 20
percent of the total project cost.

(6) Insufficient amounts
If the amount made available to carry out this section is insufficient to allow the Secretary to make
loan guarantees for 3 projects described in subsection (b) of this section, the Secretary shall issue
loan guarantees for one or more qualifying projects under this section in the order in which the
applications for the projects are received by the Secretary.

(7) Approval
An application for a loan guarantee under this section shall be approved or disapproved by the
Secretary not later than 90 days after the application is received by the Secretary.

c) Authorization of appropriations for resource center
There is authorized to be appropriated, for a resource center to further develop bioconversion
technology using low-cost biomass for the production of ethanol at the Center for Biomass-Based
Energy at the Mississippi State University and the Oklahoma State University, $4,000,000 for each of
fiscal years 2005 through 2007.

d) Renewable fuel production research and development grants
(1) In general
   The Administrator shall provide grants for the research into, and development and implementation
   of, renewable fuel production technologies in RFG States with low rates of ethanol production,
   including low rates of production of cellulosic biomass ethanol.

(2) Eligibility
   (A) In general
       The entities eligible to receive a grant under this subsection are academic institutions in
       RFG States, and consortia made up of combinations of academic institutions, industry,
       State government agencies, or local government agencies in RFG States, that have proven
       experience and capabilities with relevant technologies.
   (B) Application
       To be eligible to receive a grant under this subsection, an eligible entity shall submit to the
       Administrator an application in such manner and form, and accompanied by such information,
       as the Administrator may specify.

(3) Authorization of appropriations
   There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal
   years 2006 through 2010.

e) Cellulosic biomass ethanol conversion assistance
(1) In general
   
The Secretary may provide grants to merchant producers of cellulosic biomass ethanol in the United States to assist the producers in building eligible production facilities described in paragraph (2) for the production of cellulosic biomass ethanol.

(2) **Eligible production facilities**

A production facility shall be eligible to receive a grant under this subsection if the production facility—

(A) is located in the United States; and

(B) uses cellulosic biomass feedstocks derived from agricultural residues or municipal solid waste.

(3) **Authorization of appropriations**

There is authorized to be appropriated to carry out this subsection—

(A) $250,000,000 for fiscal year 2006; and

(B) $400,000,000 for fiscal year 2007.

Footnotes

1 See References in Text note below.
2 So in original.


References in Text


The Energy Policy Act, referred to in subsec. (b)(1), probably means the Energy Policy Act of 2005, Pub. L. 109–58, Aug. 8, 2005, 119 Stat. 594. Title XIV of the Act probably should be a reference to title XV of the Act which relates to ethanol and motor fuels and enacted subchapter XIV (§ 16501 et seq.) of chapter 149 of this title and sections 6991i to 6991m and 7546 of this title, amended sections 6991 to 6991f, 6991h, 1991i, 7135, 7545, and 13220 of this title, and enacted provisions set out as notes under section 7545 of this title. Title XIV of the Act, which contains miscellaneous provisions, is classified principally to subchapter XIII (§ 16491 et seq.) of chapter 149 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 15801 of this title and Tables.

Prior Provisions
